

CANADA.

No. 7.

Earl Grey

to

Earl of Elgin,
19th March 1847.*Vide Parliamentary
Papers (H.C.), No. 119.
Session 1847, p. 3.*

No. 7.

(No. 38.)

COPY of a DESPATCH from Earl GREY to Governor-general the Right
honourable the Earl of ELGIN.

My Lord,

Downing Street, 19th March 1847.

WITH reference to Earl Cathcart's despatch (No. 51), dated 12th May last, bringing under the consideration of my predecessor the subject of the transit of American vessels from one American port to another, through the inland waters of the province of Canada, and the advantages which would probably result from the increased tolls on the Chambly and St. Lawrence Canals, if permission were granted to the vessels of the United States to pass down the St. Lawrence from Fort Covington, on the Salmon River, to Sorel, and thence up the River Richelieu to Champlain; I now transmit for your Lordship's information and guidance the accompanying copy of a letter, and of its enclosures, which were received at this department, on the 12th instant, from the Lords of the Committee of Privy Council for Trade, to whom the question had been referred on the 9th June last (1846).

I entirely concur in the opinion which the Lords of the Committee of Privy Council for Trade have expressed on this subject; but in granting permission to the United States to navigate the St. Lawrence within British territory and jurisdiction it must be distinctly provided that such permission is not hereafter to be claimed by that country as a right, so that the British Government may, at any time hereafter, be at liberty to withdraw the privilege, if inconvenience of any kind should be found to result therefrom.

I have, &c.
(Signed) GREY.

Encl. in No. 7.

Enclosures in No. 7.

Office of Committee of Privy Council for Trade,
Whitehall, 11th March 1847.

Sir,

With reference to your letter of 9th June 1846, transmitting a copy of Earl Cathcart's despatch of the 12th of May, respecting the advantages which might be expected to arise from permission being granted to vessels of the United States to pass from Fort Covington on the Salmon River down the St. Lawrence to Sorel, and thence up the River Richelieu to Lake Champlain; I am directed by the Lords of the Committee of Privy Council for Trade to transmit to you, for the information of Earl Grey, the accompanying correspondence which has taken place between this department and the Commissioners of the Customs on the subject.

*Customs Report of
September 4th, 1846.
Copy of Letter from
Board of Trade of
October 10.
Customs Report of
Nov. 14.*

You will observe, that the Commissioners, in their report of the 4th of September, state two objections to the grant of this permission; first, that the opening of this portion of the navigation of the St. Lawrence to American vessels will endanger the revenue to an amount which will not be compensated by the increase of legitimate traffic which may be expected to result from the measure; and, secondly, that the admission of such vessels to these waters will be irreconcilable with the general policy of the British Government as regards the navigation of the St. Lawrence by foreign vessels.

These objections, as well as the original recommendation of Lord Cathcart, are founded upon the assumption that the law, as at present existing, prevents American vessels from performing the voyage in question; an assumption which my Lords are of opinion is founded rather on the prevailing practice than on any of the provisions of the laws relating to navigation or to the trade of the British possessions abroad. They have intimated this opinion in the letter written by their direction to the Commissioners of Customs on the 10th of October, and they must add, that the observations contained in the Commissioners Report of 14th of November have not induced them, upon mature reflection, to alter it. As however it is manifest that a construction of the law different from that which my Lords put on it is in practice admitted and acted on, the material point for consideration is, whether the demand for an alteration in the practice should or should not be complied with.

With reference to the first of the two objections taken by the Commissioners of Customs, my Lords direct me to remark, that whatever objections apply to the admission of American vessels to this portion of the St. Lawrence, on the ground of the facilities thereby afforded for smuggling, apply with far more force to their admission into the much longer line of navigation from the Head of Lake Superior to St. Regis, along the whole of which the St. Lawrence constitutes the boundary between Canada and the United States,
and